



# THE DURABLE MEDICAL EQUIPMENT, PROSTHETICS, ORTHOTICS, AND SUPPLIES (DMEPOS) COMPETITIVE BIDDING PROGRAM

## Traveling Beneficiary

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The Medicare Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program (the Program) has been in place in nine areas of the country—known as Round 1 areas—since January 1, 2011. Round 2 of the Program became effective in 91 Metropolitan Statistical Areas on July 1, 2013.

The Centers for Medicare & Medicaid Services (CMS) is required by law to recompetete contracts under the Program at least once every 3 years. On January 1, 2014, new contracts for the Round 1 areas took effect. The next round of competition for these areas is scheduled to be implemented on January 1, 2017. Round 2 Recompetete contracts and prices are scheduled to become effective on July 1, 2016.

When a round of the Program becomes effective in a Competitive Bidding Area (CBA), beneficiaries with Original Medicare who obtain competitively bid items in that CBA must obtain these items from a contract supplier for that round for Medicare to pay, unless an exception applies. This includes beneficiaries who do not live in a CBA but need competitively bid items while traveling to a CBA.

Two important competitive bidding program rules to know when a beneficiary needs a competitively bid item while traveling are:

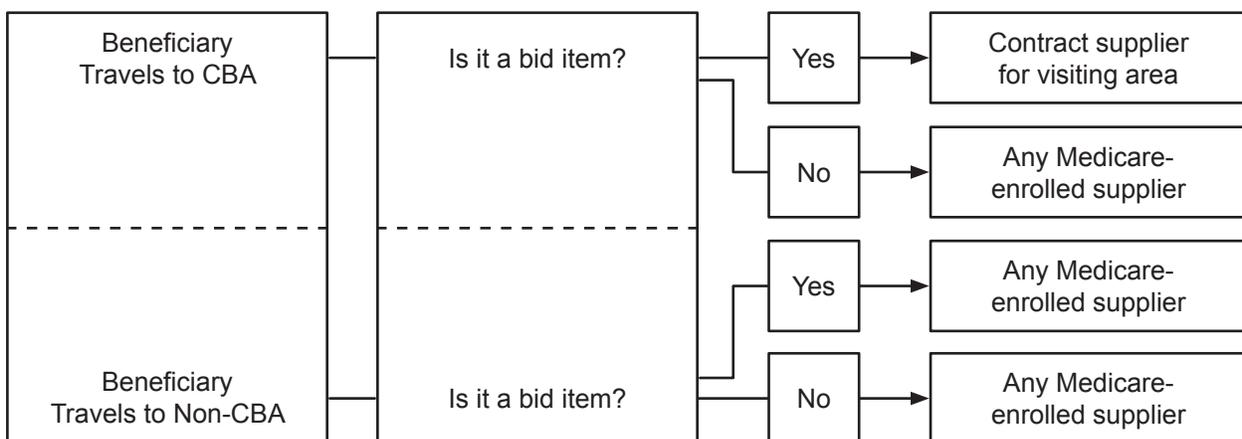
1. **Payment is always based on the beneficiary's permanent residence.**  
Does the beneficiary permanently reside within a CBA or outside a CBA?
2. **The supplier that may provide the item depends on whether the item is included in the Program and where the beneficiary obtains the item.**  
Is the item a competitively bid item?  
Is the item being obtained inside or outside a CBA?

The permanent residence is the address on file with the Social Security Administration (SSA). It is the address to which the SSA mails checks and/or correspondence to the beneficiary.

Suppliers must affix the Healthcare Common Procedure Coding System **modifier KT** to claims for competitively bid items that are furnished to beneficiaries who live in a CBA and need a competitively bid item when they travel outside of the CBA where they reside.

**NOTE:** Suppliers that are not contracted with Medicare to furnish a competitively bid item(s) for a CBA and that inappropriately use the KT modifier on a claim for a competitively bid item may be subject to penalties under of the False Claims Act.

The graphic below illustrates the rules for traveling beneficiaries under the Program.



## Examples

### Beneficiary Permanently Resides Within a CBA

#### Scenario 1

- The beneficiary’s permanent residence is in a CBA.
- The beneficiary travels to another CBA.
- The beneficiary needs a competitively bid item while he or she is visiting that area.
- The beneficiary must obtain the item from a contract supplier for that area. For example, Nell and her friends live in Charlotte, NC, which is in a CBA. They travel to Phoenix, AZ, another CBA. Nell falls and needs a walker. Nell must obtain the walker from a contract supplier for Phoenix, AZ, and the supplier must affix the **KT modifier** to the claim. The contract supplier will be paid the single payment amount (SPA) for the CBA where the beneficiary permanently resides. The contract supplier must accept assignment on the claim for the bid item.
- If the beneficiary needs a non-bid item, he or she may obtain the item from any Medicare-enrolled supplier, which will be paid the fee schedule amount for the area in which the beneficiary permanently resides.

## Scenario 2

- The beneficiary's permanent residence is in a CBA.
- The beneficiary travels to an area that is NOT in a CBA.
- The beneficiary needs a competitively bid item while he or she is visiting that area.
- The beneficiary may obtain the item from any Medicare-enrolled supplier. For example, Nell and her friends travel to Nome, AK, which is not in a CBA. Nell falls and needs a walker, which is a bid item in her home CBA of Charlotte, NC. She may obtain the walker from any Medicare-enrolled supplier, and the supplier must affix the **KT modifier** to the claim.
- The supplier will be paid the SPA for the CBA where the beneficiary permanently resides. The supplier must accept assignment on the claim for the bid item.
- If the beneficiary needs a non-bid item for the area he or she is visiting, he or she may obtain the item from any Medicare-enrolled supplier, which will be paid the fee schedule amount.

## Beneficiary Permanently Resides Outside a CBA

### Scenario 1

- The beneficiary's permanent residence is NOT in a CBA.
- The beneficiary travels to a CBA.
- The beneficiary needs a competitively bid item while he or she is visiting that area.
- The beneficiary must obtain the item from a contract supplier for the area where he or she is visiting. For example, John and his wife travel to Las Vegas, NV, a CBA, from their home in Butte, MT, which is not in a CBA. John needs a new mask for his continuous positive airway pressure (CPAP) device. He must obtain the mask from a contract supplier for Las Vegas, NV.
- The contract supplier will be paid the fee schedule amount for the state where the beneficiary permanently resides. The contract supplier must accept assignment on the claim for the bid item.
- If the beneficiary needs a non-bid item, he or she may obtain the item from any Medicare-enrolled supplier, which will be paid the fee schedule amount.

### Scenario 2

- The beneficiary's permanent residence is NOT in a CBA.
- The beneficiary travels to an area that is NOT in a CBA.
- The beneficiary needs a competitively bid item while he or she is visiting that area.
- The beneficiary may obtain the item from any Medicare-enrolled supplier. For example, Bill is from Bismarck, ND, which is not in a CBA. He travels to Pierre, SD, which is also not in a CBA, and needs a CPAP mask. He may obtain the mask from any Medicare-enrolled supplier.

- The supplier will be paid the fee schedule amount for the state where the beneficiary permanently resides.

## Additional Information

For more information about the DMEPOS Competitive Bidding Program, visit <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/DMEPOSCompetitiveBid> on the CMS website.

Beneficiary-related information can be found at <https://www.medicare.gov> on the Internet.

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